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Four Arkansas Community Development Banks Receive Record Levels of Critical Funding to Stimulate Economic Growth throughout the State

Washington, DC, September 21, 2017 – The US Department of Treasury’s Community Development Financial Institutions (CDFI) Fund awarded **\$3.5 million** to **four Arkansas banks** this week for reinvestment in distressed communities to support small business lending and promote affordable housing, neighborhood revitalization, and expansion into new geographic markets. The recipients, all CDFI-certified, include 3 members of the Community Development Bankers Association: **FNBC Bank, Bank of Lake Village, and Southern Bancorp.**

Mississippi, Arkansas, and Louisiana banks received the largest proportion of the CDFI funds. The awards come at a time when more communities are falling further behind economically. Last week, the US Census Bureau released its annual benchmark data on income, poverty, and health insurance for 2016, which revealed that income inequality continues to rise. Arkansas is among the top ten states with the highest poverty rates.

“The CDFI banks recognized today by the Treasury Department are on the front line fighting poverty and creating economic opportunity in the places that have been left behind by growing income inequality,” said Jeannine Jacokes, Chief Executive Officer of the Community Development Bankers Association. “Arkansas community development banks have been part of the solution to reduce the state’s poverty rate, one of the highest in the nation. We need more mission-focused banks like these, and more resources to support the communities.”

The CDFI Program has proven to be an effective tool in stimulating significant private investment in community development with a very small percentage of government funding. Last year, CDFI Program recipients used their awards to:

- Finance over 13,300 businesses
- Provide funding for over 33,500 affordable housing units
- Provide over 427,000 individuals with financial literacy or other training

Despite the enormous success of the program in revitalizing the disenfranchised communities in rural and impoverished urban areas of the country that are often ignored in the federal budget, the current

Administration has proposed immediate cuts to the CDFI Fund in FY 2018. The House has voted to retain partial funding for the CDFI Fund. The Senate has not yet marked up its FY 2018 bill.

About the CDFI Fund

The Community Development Financial Institutions (CDFI) Fund was created by the Riegle Community Development and Regulatory Improvement Act of 1994. As a bureau of the US Treasury Department, the CDFI Fund operates programs that use modest amounts of Federal money to leverage a multiple of private sector capital to promote revitalization of low-income communities and bring disenfranchised populations into the economic mainstream. CDFI-certified banks, loan funds, credit unions, and venture capital firms are eligible to receive the funding. Since the CDFI Program was launched, organizations have received over \$2 billion in Financial and Technical Assistance, and the number of certified CDFIs has increased tenfold.

About CDBA

The Community Development Bankers Association is the voice and champion of the community development banking movement. CDBA and its 69 member banks work to make the banking industry a force for good by collectively promoting financial inclusion and creating economic opportunity in the nation's most economically distressed rural and urban communities. We convene community banking peers who strengthen a different kind of banking through collaboration, partnership, and learning. Of the 27 CDFI-certified banks receiving awards from the 2017 CDFI Program, 22 are CDBA members.

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